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C O N F I D E N T I A L SECTION 01 OF 02 LISBON 000207

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EUR/ERA, EEB/TPP/ABT/BBT, USTR, USDA/FAS MADRID FOR STEVE HAMMOND

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SUBJECT: PORTUGAL USES EU PRESIDENCY TO PUSH BIOTECH

ACCEPTANCE

REF: A. PARIS 0078

¶B. 07 STATE 158225

1C. 07 LISBON 2912

1D. 07 LISBON 2591

¶E. 07 LISBON 2171

Classified By: Pol/Econ Off Jenifer Neidhart for reasons 1.4(b) and (d)

## Summary

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11. (C) Led by Minister of Agriculture Jaime Silva, Portugal visibly strengthened its public support for biotech issues during its July-December 2007 EU Presidency. Minister Silva's public leadership on biotech went beyond favorable voting to include outspoken support of the European Food Safety Authority's (EFSA) legitimacy as a scientific authority on the subject, both publicly and behind closed doors. This proactive approach on the part of the Agriculture Minister is linked to heightened economic concerns among key agricultural constituencies within Portugal and an apparent inter-agency compromise between the Ministries of Agriculture and Environment. Regarding France's recent decision to invoke the safeguard clause, a Ministry official indicated that Portugal was against France's action and commented that France's decision was "political, not technical." End Summary.

Support for EFSA and a Science-Based Review Process

- 12. (SBU) Over the past six months, Portugal demonstrated stronger support of biotech at both the EU and domestic levels. While Portugal has historically abstained on votes that were not expected to achieve a qualified majority, Minister of Agriculture Jaime Silva incrementally edged Portugal into a proactive, leading role on biotech over the past few months. During the October 10, 2007 meeting of the EU Regulatory Committee, Portugal cast its first vote in favor of a biotech event, specifically for the three Monsanto hybrids under consideration (Ref D). Going a step further, however, Embassy sources confirm that Portugal was an outspoken advocate for both EFSA and a more rapid EU approval process during the closed door November 26 Farm Council meeting, although specific outcomes of the meeting remain unclear.
- 13. (U) The Minister continues to support entry of biotech events into the EU and supports current negotiations to establish a reasonable threshold for low level presence in imports of biotech products approved in third countries but not yet approved in the EU (Refs C and E).

## Raising Public Awareness

14. (U) The Portuguese government also enhanced its public profile on biotech issues during its EU Presidency, building on consistent and strong statements delivered to the agricultural industry. On December 9, Minister Silva published an op-ed piece entitled, "GMOs -- Responsible Policies" in a leading Portuguese daily. Addressing a general audience, Minister Silva outlined his support for GMOs by emphasizing the need to balance valid and competing concerns about health, safety, economy, and the environment. The Minister made a surprisingly strong appeal to the public: "Let's leave scientific risk assessments to credible institutions, independent from governments and lobbies, including environmentalists. Let's work with risk management based on scientific reports and not on the politics of fear or ignorance."

## Against France's Invocation of Safeguards

15. (C) Although the Minister's office has yet to issue a public statement on France's January 11 decision to invoke safeguards (Ref A), one ministry official commented to us off the record that if one were to look at Portugal's past actions, it would lead one to conclude the (Portugal) is against France's action." He further commented that France's decision was a "political, not technical one."

Environment Ministry's Focus on Risk Minimization

16. (U) The Ministry of Environment continues to weigh in on biotech issues, although its concerns are increasingly

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relegated to minimizing the impact of biotech cultivation. On November 28, 2007, a law establishing a five-year compensation fund for farmers who have been hurt by biotechnology crops came into effect. The fund outlines reparations to be paid to any farmer whose crops are contaminated by other farmers' use of biotech products.

17. (U) This new measure complements Portugal's coexistence legal regime. Portugal continues to be the EU's fourth largest cultivator of Bt maize (MON810) and has introduced fairly conservative rules specifiying that GMO crops shall be 200 meters away from conventional crops and 250 meters away from organic crops. This is mitigated, however, by the rights of farmers. For example, although Portuguese law permits municipalities to request designation as a GMO-free zone, all farmers within a 3000-hectare radius must consent to the designation. If even one farmer chooses to plant biotech crops, the municipality is not allowed to declare itself a GMO-free zone. Only the Lagos district in the Algarve region has achieved this unanimity, declaring its GMO-free on November 5, 2007 (Refs C and E).

## Comment

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18. (C) Considered against the backdrop of intensifying challenges to EFSA's institutional soundness by EU Member States, Jaime Silva's comments and actions during Portugal's EU Presidency underscore Portugal's deepening commitment to biotech issues, placing Portugal in the forefront of EU member states. One Monsanto representative commented approvingly that Portugal has gotten off the fence and can now be considered a biotech proponent. To a large degree, this support is linked to pragmatic political and economic considerations, as Portugal is particularly vulnerable to disruptions in biotech feed imports because its livestock industry depends on imports for growth. On the other hand, Portugal's recent uptick in support for biotech must be viewed within the broader context. Although Portugal was the

first EU member state to implement regulation on coexistence, it was also the first to have a legally declared GMO-free zone, spearheaded by a new environmental NGO. As grassroots movements against biotech become more savvy, they have the potential to wrest the momentum away from the Minister's reason-based approach in favor of a more emotional and reactionary trajectory. Stephenson